main non-SSI sick/weak industries were textile (79 units), chemicals (55 units), Engineering (51 units), Iron & Steel (33 units), Electrical (20 units) etc.

(c) The Government has taken a number of steps for revival of sick industrial units which, *inter-alia*, include guidelines of Reserve Bank of India to banks, amalgamation of sick units with healthy units, setting up of Board for Industrial and Financial Reconstruction (BIFR) under Sick Industrial Companies (Special Provision), Act, National Renewal Fund, National Equity Fund etc.

Setting up of a paper mill in North Cachar

1095. SHRI PRAKANTA WARISA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether there is any comprehensive proposal under consideration of government to establish a paper mill in private/public/ Cooperative Sector in the North Cachar Hill district of Assam keeping in view the large scale of bamboos available in the area;

(b) if so, the details thereof and if not, the reason for unwillingness of Government; and

(c) the details of the initiatives taken or proposed to be taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) to (c) The Government has no proposal to establish a paper mill in public sector in the North Cachar Hill district of Assam. The Hindustan Paper Corporation Limited, a Central Public Sector Undertaking already has a unit i.e. Cachar Paper Mill at Punchgram, District Hailakandi, Assam, located in North of erstwhile Cachar District. Paper Industry has been delicenced and Entrepreneurs are only required to file an Industrial Entrepreneurs Memorandum with Secretariat for Industrial Assistance in this Ministry as, for setting up a paper mill, no licence is required except in terms of locational policy notified by the government or that the proposal does not envisage manufacturing of items reserved for small scale sector.

Decline in industrial growth

1096. SHRI PREM CHAND GUPTA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that industrial growth declined from 12.8 per cent in 1995-96 to 3.5 per cent in 1998-99; and

(b) what were the reasons for this decline and what action Government have taken to reverse this trend?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) According to the Index of Industrial Production, industrial growth rate was 12.7% during 1995-96 and 4.0% during 1998-99.

(b) Some of the reasons affecting the industrial growth rate, *inter alia,* are adverse fall out of the East Asian economic crisis and general deterioration in world trade affecting our exports growth, low growth in public capital investment and decline in agricultural production during 1997-98.

The action taken by the government to reverse this trend has resulted in the IIP growth rate rising to 6.2% during April- December, 1999-2000. The actions taken by Government were:

1. special package announced for revival of growth in exports;
2. the Government has allowed buy back of shares and inter- corporate loans to boost investment and revive the capital market;
3. a new Power Policy announced;
4. income tax rate and custom duties on infrastructure projects reduced;
5. liberalisation of inflow of FDI/NRI/OCB investment;
6. the guidelines for foreign equity investment in NBFC have further been modified;
7. setting up of National Accreditation Boards including a National Patent Office and a National Benchmarking Patent House to promote integration of best practices in the Indian industry;
8. setting up of Foreign Investment Implementation Authority (FIIA) to provide single point interface between foreign investors and Government machinery;
9. restoration of 100% MODVAT credit.